

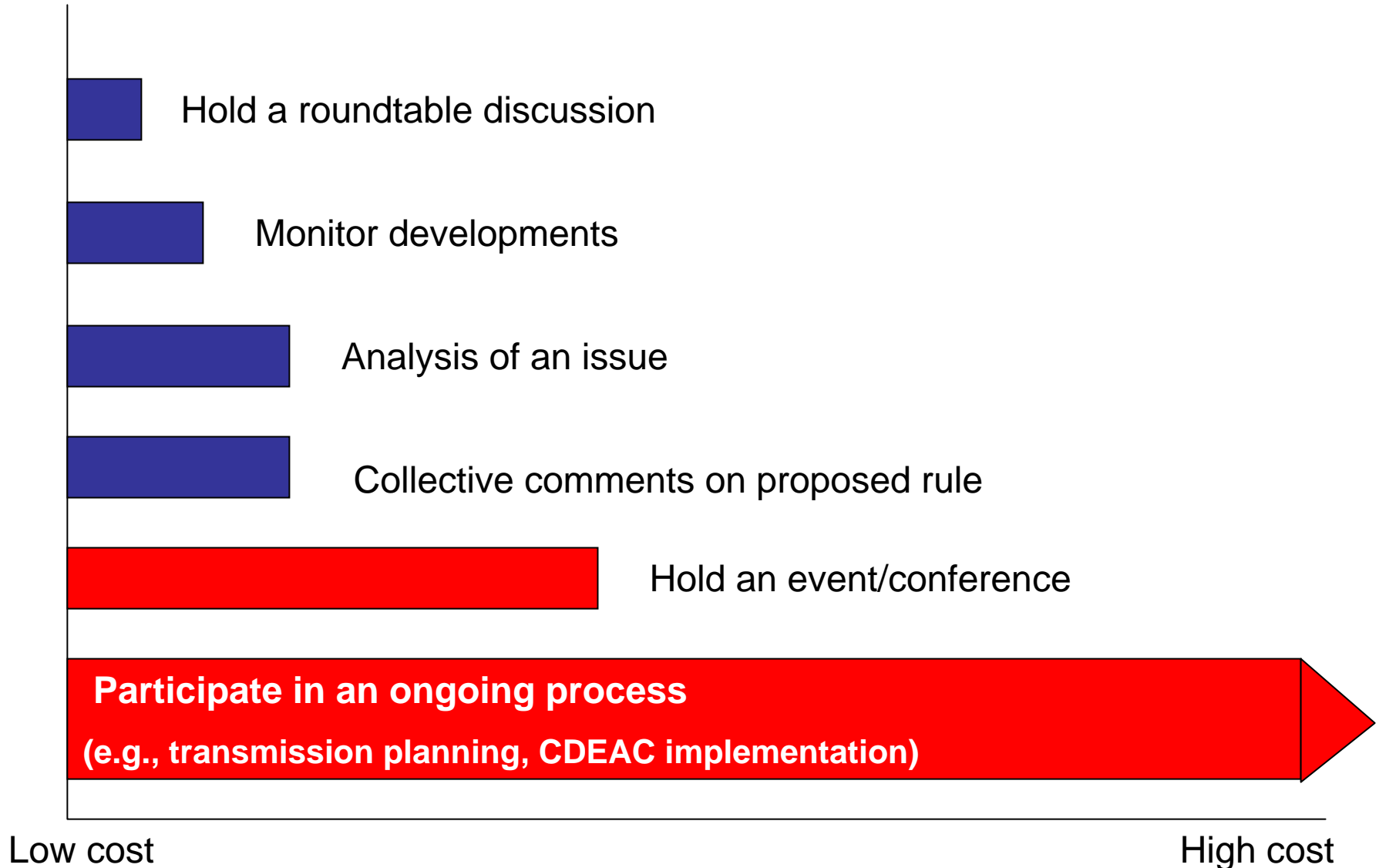
Tradeoffs

- **Does the Board spend its limited funds to participate in regional electricity processes if there is no prospect of sustained funding?**
 - How long could such participation be sustained without outside funding?
 - What's the bang for the buck if you have to withdraw part way through the process?
- **What if there is a chance for sustained funding for some regional electricity tasks?**
- **What issues are we missing by concentrating our limited resources on regional electricity issues?**

Electricity Funding Wild Cards

- Voluntary contributions from control areas to pay for CREPC work plan
 - None received to date
 - Does WGA make another run at it, perhaps via WECC?
- Will WIRAB costs be covered by mandatory fees
 - March 30 FERC order addressing WGA/CREPC petition
- Which activities might be covered by mandatory fees
 - Operation of WIRAB - likely
 - Work on reliability issues – possible
 - Work on resource adequacy issues – maybe
 - Transmission planning, market monitoring, permitting – no
 - CREPC meetings - no

Levels of Effort and Cost



Alternative 1: Staff proposed budget

- Reduce electricity work to:
 - 2 CREPC meetings
 - Defense of state authority in transmission permitting
- Reconnaissance and scoping of other issues the Board wants to address
- No CDEAC follow-up work (except if it coincidentally falls within Board scoping activities)

Alternative 2: Jumpstart WIRAB and seek other electricity funds

- Jumpstart WIRAB
 - Assume sustained funding beginning 1/07
 - Spend unrestricted money in current FY and first half of FY 07
- Seek outside electricity money from DOE and control areas (again)
- Postpone reconnaissance on new issues to 1/07
- No CDEAC follow-up work (except if it coincidentally falls within Board scoping activities)

Option to Continue Electricity Work

- **If you read the FERC decision as opening the door to sustained funding of WIRAB then:**
 - Recommend Governors petition to established the WIRAB
 - Spend the Board's unrestricted funds to gear up for full implementation of WIRAB
 - Spend \$150,000-\$250,000 between now and 12/31/06
 - Assume mandatory dues generate income beginning 1/1/07
- **Ask Govs to make another request to companies to cover transmission planning, market monitoring, transmission planning costs, and resource adequacy (maybe)**
 - Maybe pitch goes to WECC
 - Wild cards: DOE pressure for robust open transmission planning for Section 1221; FERC amends Order 888 to require transmission planning
- **Ask DOE to one more time provide a grant as a bridge to sustained funding**
 - Maybe \$50-\$100k is available
 - Focus likely on helping DOE on mandatory tasks (e.g. ,Section 1221 and 368)

<u>RAB cost estimate</u>	"Continual Advice" <u>WIRAB</u>	April-June 2006 <u>Expenditures</u>	Proposed 07 WIEB <u>Work Plan</u>	2006 CREPC <u>Work Plan</u>
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1. WIRAB operation

a. Staff support	\$135,000	\$21,875		
b. Travel	\$86,000	\$14,400		
c. Meeting expense	\$6,000	\$1,500		
d. Conference calls	\$4,000	\$1,000		
e. Technical contract support		\$20,000		
f. Overhead	<u>\$171,450</u>	<u>\$27,781</u>		
	\$402,450	\$86,556		
f. Six month contingency for WIRAB startup			\$150,000	

WIRAB jumpstart

Sustained funding??

2. Board-Approved CREPC 2006 Work Plan

a. 2 CREPC meetings			\$42,000	\$42,000
b. Resource adequacy	\$273,200		\$0	\$273,200
c. Reliability	\$40,440		\$0	\$40,440
d. Transmission planning	\$0		\$10,000	\$150,820
e. Cost allocation/recovery	\$0		\$0	\$83,000
f. Market assessment/monitoring *	\$0		\$0	\$200,000
g. Transmission permitting	\$0		\$30,000	\$77,000
CREPC-RELATED TOTAL	<u>\$313,640</u>		<u>\$82,000</u>	<u>\$866,460</u>

No sustained funding??

Work by LBL